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FOR IMMEDIATE RELEASE

Terry Goddard Announces Record Pharmaceutical Settlement over Vioxx

(Phoenix, Ariz. – May 20, 2008) Attorney General Terry Goddard today announced a \$58 million settlement with Merck and Company, Inc., resolving a three-year investigation by 30 states concerning the company's deceptive promotion of its pain-relieving drug Vioxx. The amount represents the largest multi-state settlement ever against a pharmaceutical company.

Goddard joined 29 other state Attorneys General in this settlement. Arizona's share will be \$2,317,913. The settlement will also restrict Merck's ability to deceptively promote any of its products.

"In addition to the monetary settlement, the comprehensive injunctive relief obtained is outstanding and addresses all concerns identified through our investigation," Goddard said.

Merck, based in Whitehouse Station, N.J., withdrew Vioxx from the market in September 2004 after research showed that the painkiller significantly increased the risk of heart attacks and strokes.

Today's settlement requires Merck to submit all "direct to consumer" (DTC) television drug ads to the Food and Drug Administration (FDA) for approval. Merck is required to wait for approval and comply with FDA comments before running any ad. The drug company must also comply with any recommendation by FDA to delay DTC advertising for new Merck pain-relieving drugs.

The state Attorneys General expressed concerns regarding the negative effect of DTC advertising that starts immediately with the release of a new drug before doctors have an opportunity to gain experience with the drug and understand its potential side effects.

"Merck's aggressive, premature promotion of Vioxx drove hundreds of thousands of consumers to seek prescriptions before Vioxx's risks were fully understood," Goddard said. "Today's settlement gives the FDA clear discretion and authority to assess new

Merck pain drugs and requires Merck to submit television ads to the FDA for suggested revisions and acceptance before they run.”

The settlement, in the form of a consent judgment, does not constitute an admission of liability. It also requires the company to:

- Stop the deceptive use of scientific data when marketing to doctors.
- Stop “ghost writing” articles and studies.
- Disclose conflicts of interest of Merck promotional speakers when they make presentations in supposedly “independent” Continuing Medical Education classes and conflicts of interest in Merck-sponsored Data Safety Monitoring Boards.

Assistant Attorneys General Noreen Matts and Dena Rosen Epstein handled this case.

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